Consultancy Management Procedure

Authority Source: Vice-Chancellor's Group Meeting - 14 November 2017

Approval Date: 14/11/2017

Publication Date: 22/11/2017

Review Date: 14/11/2020

Effective Date: 22/11/2017

Custodian: Deputy Vice-Chancellor & Vice-President, Research and Innovation

Contact: research@canberra.edu.au

Accessibility: Public

Status: Published

In developing this procedure the University had regard to the provisions of section 40B(1)(b) of the Human Rights Act 2004 (ACT).

1. PURPOSE:

1.1 These procedures provide guidance on the standard process for the management of consultancies under the Consultancy Management Policy.

2. SCOPE:

2.1 This document applies to:

- all staff and affiliates undertaking consultancy work on behalf of the University; and
- all consultancy projects, including, but not limited to, those that meet the definition of research.

2.2 Excluded from this document is private consultancy work undertaken by staff in their own time and using their own resources, which is covered by the Secondary Employment Policy.

3. PROCEDURE:

3.1 **Project planning**

- Staff members wishing to undertake consultancy work must do so with an understanding of the full cost of the work, taking into account both direct and indirect costs and staff time commitment;
- Staff members undertaking a consultancy project must ensure that client expectations with regard to deliverables, expertise, resources and schedules can be met;
- Staff must develop budgets for their consultancy projects in consultation with their faculty/university research institute (URI) business manager or equivalent ensuring, at a minimum, full cost recovery including direct and indirect costs. The Research Services (RS) website maintains a Budget Tool that may be used by staff, as appropriate, to cost research consultancy projects;
- Direct costs comprise all outlays that are necessary for the conduct of the project. This includes, but is not limited to, salaries for staff recruited to work on the project (e.g. research assistants), salaries of the staff members undertaking the project, and/or salaries of any replacement staff, salary on costs, travel

expenses, costs of material/equipment;

- Staff members must ensure that the applicable levy, as detailed in schedule A, is built into their project costing, as this enables the University to recoup indirect costs associated with the conduct of the project. Indirect costs include items such as the use of facilities, administrative support, insurance and building maintenance;
- All amounts must be presented in Australian dollars, unless specifically required by the client agency, and GST excluded.

3.2 **Project initiation and approval**

- Staff members wishing to undertake a consultancy project must first seek the approval of their faculty/URI, adhering to any internal processes;
- In approving consultancy projects, faculty deans/URI directors, or the appropriate delegate, confirm that the project has been fully costed, includes the applicable levy as per Schedule A, can be accommodated within the general facilities of the University/faculty/URI, and that staff have the skills and time required to conduct the project.

3.3 **Research Consultancies**

- Faculty deans/URI directors, or the appropriate delegate, are responsible for confirming the appropriate classification of projects as research consultancies, taking into account the Higher Education Research Data Collection (HERDC) definition of research;
- Staff members must ensure their consultancy project is covered by an appropriate agreement between the external organisation and the university;
- RS will assist staff in the preparation of an agreement, liaise with the funder as required on agreed conditions and terms, and ensure the agreement is signed by the appropriate authority within the University and the funder;
- RS strongly encourages the use of the University Research Consultancy Agreement template. Taking into account the conditions provided in the Financial Delegation Policy on the use of the template, faculties/URIs may, in certain circumstances, make their own arrangements for the establishment and sign off on an agreement without the assistance of RS;
- All projects deemed to be research consultancies, including those that are covered by agreements signed off at the faculty/URI level (as above), must be reported to RS through the online research management system. Failure to do so will result in the funds not being captured as HERDC income - which in turn affects the University's Research Block Grant allocations - and not appearing in the staff member's individual dashboard of research activities that is used for Professional Development Review (PDR) purposes;
- RS will ensure all milestones associated with the research consultancy, as specified in the agreement, are captured in the research management system to enable appropriate monitoring and management of the project;
- Staff members will report to RS in cases where a variation is required, such as an amendment to the project end date or a change in budget as a consequence of the funder wishing to provide additional funds.

3.4 **Other Consultancies**

- All other consultancies are managed by faculties/URIs;
- Staff members must ensure their project is covered by an appropriate agreement between the external organisation and the university;

- Staff members must seek the assistance of Legal Services in the preparation of a suitable agreement and make their own arrangements for agreement sign off as per the Financial Delegation Policy;
- Faculties/URIs will ensure all milestones associated with the consultancy, as specified in the agreement, are captured in the contract management system managed by Finance and Business Services (FBS) to enable appropriate monitoring and management of the project;
- Staff members will report to their respective faculties/URIs in cases where a variation is required.

3.5 **Project conduct and financial management**

- Upon the signing of an agreement, a cost centre will be established for the consultancy project;
- Once the cost centre has been set up, FBS will immediately deduct the applicable levy based on a percentage of the total project fee specified in the agreement and pass these funds to the relevant faculty/URI;
- Staff members will undertake the consultancy project as per the terms specified in the agreement and any other supporting documentation, ensuring the work is conducted to a high standard;
- Staff members will ensure all direct costs, including salaries of staff recruited to work on the project (e.g. research assistants, technicians), salary or replacement salary costs of the academic conducting the project, are charged against the cost centre during the term of the project;
- In cases of variations to projects as a consequence of the funder wishing to provide additional funds, FBS will make arrangements for the appropriate additional levy to be deducted from the cost centre.

3.6 **Project completion**

- Once staff members have confirmed that all direct costs have been charged against the cost centre and the project has been completed, FBS will determine availability of surplus or deficit funds;

- For consultancy projects with a value equal to or higher than $60,000, FBS will undertake an internal financial acquittal and ensure all relevant direct costs have been debited to the project, including relevant salary costs;
- For consultancy projects valued under $60,000, FBS will only undertake an internal financial acquittal if the funder requires an acquittal and this is specified in the agreement;
- As part of the internal financial acquittal process, FBS will perform the following:
    - run a transaction report for the project cost centre,
    - verify that all income has been invoiced as per the agreement and paid by the funder,
    - identify staff time spent on the project and the value of salary expenditure this represents,
    - compare the expenses with the budget in the project file and seek explanation on variances from the staff member (cost centre owner). If the project had a one-line budget , FBS will compare expenditure with the internal budget agreed with the Faculty/URI and used as a basis for annual budgeting, and seek explanation on variances from the staff member (cost centre owner) to identify any missing expenses. If a budget is not available for comparison, FBS will liaise with the staff member to identify any missing expenses,
    - once the staff member confirms that the transactions report is correct, FBS will prepare the internal financial acquittal, and
    - the internal finance acquittal is to be signed by both the staff member and FBS.
- Surplus funds or deficit balances will be transferred to an Academic Consultancy Cost Centre (ACCC) managed by the staff member;
- If the value of the amount to be transferred from any one consultancy is greater than $30,000, the

approval of the Dean/Director is required.

3.7 **Surplus Funds and Deficit Balances**

- Staff may use surplus funds held in ACCCs to support further activities, with the requirement that funds issuing from research consultancies are used for research and research-related work or commercialisation of research purposes, while surplus funds from other types of consultancies are used for teaching-related activities;
- Surplus balances accrued in any given year in an ACCC can be carried forward for a period of 2 years following the year in which the funds were transferred to the ACCC;
- Faculty deans/URI directors may approve further carry forward of funds conditional upon the staff member presenting a justification and detailed expenditure plan;
- Surplus funds not spent by the agreed period will be adjusted to a relevant faculty/URI cost centre. The faculty dean/URI director will advise FBS of the cost centre to be adjusted;
- Any proposed plans to spend funds held in ACCCs must be budgeted for in the annual budget cycle of the area;
- Deficit balances in ACCCs must be rectified by the end of the allowable carry forward period. Any outstanding deficit beyond this date will be adjusted to the staff member's faculty/URI base operating cost centre.

3.8 **Staff Exit**

- When a staff member exits the University the transfer of unspent funds in an active consultancy project to another institution may be approved by the faculty dean/URI director in certain circumstances, subject to the specific nature of the project. This may include the particular nature of the funder-staff member relationship or the specialised skills required for the conduct of the project. In such cases, transfer will only occur after all applicable costs associated with the project have been deducted as well as any prior deficits the staff member may have incurred;
- Surplus funds associated with completed projects remaining in ACCCs may not be paid out to an exiting staff member or another University staff member, and they may not be transferred to another institution;
- After a staff member has left the University, the treatment of surplus funds will be at the discretion of the relevant faculty dean/URI director, but will generally be consolidated into faculty/URI base operating cost centres.

Schedule A: University Levies

Consultancy contract value	**Levy***	**Financial acquittal**
≤ $10,000	0%	Not required, unless specified in the agreement
> $10,000 and < $60,000	25% of the total fee of the consultancy project	Not required, unless specified in the agreement
≥ $60,000	25% of the total fee of the consultancy project	A complete internal financial acquittal

Notes:

* Aside from the levy, all applicable direct costs must be charged against the cost centre during the conduct of the project.

4. ROLES AND RESPONSIBILITIES:

Who	Responsibilities
Deputy Vice-Chancellor, Research and Innovation	Owner of this procedure
Director, Research Services	Contact for this procedure

5. IMPLEMENTATION AND REPORTING:

5.1 Implementation of this procedure will occur through university-wide training for all members of staff involved in the conduct of consultancy work, as well as those involved in administration and management activities.

5.2 Training will be delivered jointly with RS and FBS.

6. GOVERNING POLICY AND LEGISLATION:

6.1 This procedure is governed by the University Consultancy Management Policy.

7. SUPPORTING INFORMATION:

Supporting documents for this procedure include:

Charter of Conduct and Values
Consultancy Management Policy
Research Cost Centre Management Policy
Research Cost Centre Management Procedure
Financial Delegations Policy
Secondary Employment Policy
Responsible Conduct of Research Policy
Commonwealth Competitive Neutrality Policy Statement

8. DEFINITIONS:

Terms	Definitions
Academic Consultancy Cost Centre	A cost centre created for a specific staff member to temporarily hold surplus and/or deficits issuing from completed consultancy projects . Funds held in an ACCC may be carried forward from one year to the next
Affiliates	Those people given Emeritus and Honorary (including Adjunct, Professional Associate and Visitor) appointments in accordance with the relevant University policies and procedures

Consultancy	The provision of expert advice or specialist knowledge to an external organisation for a fee. Typically, the external organisation directs or determines the scope of the work and owns the intellectual property (IP) derived from the work. Consultancy that can be classified as research income: Services may include specialist knowledge or objective review within a particular research field and/or access to University equipment or facilities to work on a specific project. Such projects are typified as the use of existing knowledge in new ways to generate novel understandings, and income generated through these is reportable in the Higher Education Research Data Collection (HERDC) and influences Block Grant allocation. Other consultancy income: Other types of consultancy services that cannot be classified as research income may include routine laboratory and other testing of materials, devices, products or produce; analysis of data; surveys, including market and opinion surveys; quality control; field trials; the provision of professional advice including possible expert witness advice; the provision of professional services such as design, legal, medical and allied health and participation in fee-paying non-award courses.
Deficit	The negative amount remaining once all costs (including direct costs and the applicable indirect costs levy) have been deducted from funds received from an external organisation for a project
Direct costs	Costs that are integral to the objectives of a project and are charged as project expenditure. Examples include salaries for staff recruited to work on the project (e.g. research assistants, technicians), salary or replacement salary costs of the academic conducting the project, travel expenses, costs of material/equipment required to conduct the work
Indirect costs	Costs of a project which are the University's overheads and include items such as the operations and maintenance of buildings, use of facilities and libraries, hazardous waste disposal, insurances, regulatory and research compliance and administration of research services. Although they are necessary for the conduct of the project, and although they may be incurred in the course of the project, they are costs that do not directly address the approved objectives of a consultancy.
Internal financial acquittal	An accurate income and expenditure report conducted by Finance and Business Services (FBS) where all revenue and eligible expenditures for the funded activities, including staffing costs, are accounted for. The primary purpose of the internal financial acquittal is to ensure the correct calculation of the project's balance of surplus or deficit before this surplus/balance can be moved to the ACCC
Levy	An off-the-top amount to assist in meeting the indirect costs associated with the delivery of a consultancy project undertaken at the University
Research	Creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge

Staff	A person who is a member of the staff of the University, whether full-time, part-time, contract, sessional, or casual and includes all academic, professional, technical and administrative officers and employees
Surplus	The amount available once all costs (including direct costs and the applicable levy) have been deducted from funds received from an external organisation for a project